

**House of Representatives
Commerce and Labor
Committee Meeting Schedule - Interim 2004**

DATE	TIME	LOCATION	COMMITTEE	SUBJECT	TYPE
May	10 AM to 3 PM	Seattle	Full Committee	Collective bargaining of health care benefits.	Work Session
June 16	All Day	Olympia	Full Committee Joint with Trade & Economic Development	Offshore outsourcing.	Work Session
September 20-21	TBA	Olympia	Full Committee	Workers' compensation issues. Consumer protection and auto finance issues. Certification of sprinkler fitters.	Work Session
November	All Day	Everett	Full Committee	Update on Washington labor market. Construction industry skills gap. Workforce training.	Work Session
December 2-3	TBA	Olympia	Full Committee	Workers' compensation issues. Problem gambling. Personnel System Reform Act of 2002. Workplace bullying.	Work Session

Project Title: Collective bargaining of health care benefits.

Project Goal:

To examine collective bargaining of health care benefits.

Project Description:

After small, single-digit increases in health care costs in the 1990s, medical inflation hit double-digit levels beginning in 2001. Health insurance premiums increased an average of about 14 percent, or about six times the rate of inflation, in 2003. Many factors contributed to increased medical costs, such as increased prices of drugs, hospital care and other medical services, greater use of medical care, and higher profits for insurers. Increased medical costs, as well as employer size, affect the availability of health insurances for employees.

Some employers are asking their employees to share a greater percentage of their overall health care costs. As a result, health care benefits have overcome wages and job security as the main focus of collective bargaining. Some employers and unions are concerned that they may no longer be able to address rising health care costs through collective bargaining.

During the 2004 interim, the House Commerce & Labor Committee will meet to examine collective bargaining of health care benefits. The committee will: (1) hear labor and management perspectives on collective bargaining of health care benefits; (2) discuss employment-based health care trends; and (3) receive a report on cost-shifting from employment-based benefits to state-funded benefits.

Number & Type of Meetings: 1 work session.

Completion Date: December 2004

Staff Assigned: Jill Reinmuth/Chris Cordes

Project Title: Offshore outsourcing.

Project Goal:

To examine "offshore outsourcing" of work performed under state contracts, international trade agreements applicable to this practice, and legislative and other alternatives for addressing this practice.

Project Description:

"Offshore outsourcing" is a term sometimes used to describe the practice of contracting with individuals or companies in foreign countries to perform certain work.

Offshore outsourcing of work performed under state contracts was the subject of nearly half a dozen bills introduced in Washington during the 2004 legislative session, none of which passed the Legislature. Some bills would have required studies of such outsourcing, while others would have prohibited such outsourcing. (See EHCR 4419, House version of ESHB 2459, HB 2405, HB 2768, and SHB 3187.) According to the National Conference of State Legislatures, similar legislation was introduced in 26 other states in 2004.

During the 2004 interim, the House Commerce & Labor and Trade & Economic Development Committees will examine:

- Work performed under certain state contracts at locations outside the United States, including personal services contracts, purchased service contracts, and public works contracts, and any subcontracts under such contracts;
- Efforts, if any, to measure work performed under certain state contracts, and any subcontracts under such contracts, at locations outside the United States;
- The extent to which state contracts performed at locations outside the United States involve solicitation or disclosure of personal information;
- The applicability of international trade agreements to state procurement policies;
- The extent to which the process of making commitments under international trade agreements and the exceptions in such agreements are adequate to protect legislative authority over state procurement, including domestic preferences; and
- The economic benefits of awarding state contracts to Washington companies.

Number & Type of Meetings: 1 work session, joint with Trade and Economic Development Committee.

Completion Date: December 2004

Staff Assigned: Jill Reinmuth/Chris Cordes/Tracey Taylor

Project Title: Workers' compensation issues - Governor's workers' compensation work group.

Project Goal:

To receive periodic updates on the development of recommendations from the work group on workers' compensation being convened by the Governor.

Project Description:

For nearly a decade, the Department of Labor and Industries proposed small or no increases in industrial insurance premium rates. Beginning with 2003, however, average rates were increased: 29 percent for 2003 and 9.8 percent for 2004. After the rate increases were adopted in 2004, the Governor proposed a plan to review the workers' compensation system in conjunction with both business and labor representatives.

The Committee will review the progress of the Governor's work group in developing recommendations for the industrial insurance system and will evaluate any recommendations.

Number & Type of Meetings: 1 or 2 work sessions

Completion Date: December 2004

Staff Assigned: Chris Cordes/Jill Reinmuth

Project Title: Workers' compensation issues - industrial insurance state fund audit.

Project Goal:

To receive a report from the Department of Labor and Industries and the Workers' Compensation Advisory Committee on the development of an Industrial Insurance State Fund audit process.

Project Description:

The Washington workers' compensation system has undergone a number of reviews in the past decade. The most recent review, completed in 1998 by the Joint Legislative Audit and Review Committee, included a recommendation that the Department of Labor and Industries produce an actuarial rate filing report and a reserve report for the Industrial Insurance State Fund (State Fund) detailing the assumptions and methods used in establishing State Fund premium rates and reserves. It was suggested that this report be similar to reports submitted by insurance companies to regulatory agencies in other states. In its written response to the 1998 JLARC recommendations, the Department suggested that well documented information was available on the State Fund rate-making process. In addition, the Department noted that it annually contracts for independent third party actuarial and financial audits of the State Fund.

During the 2004 Legislative Session, the Legislature considered Senate Bill 6414 that would have established requirements for both financial and actuarial audits of the State Fund. In a work session on the issue, the Department testified that it would be appropriate for the Workers' Compensation Advisory Committee (WCAC) to contract for an additional independent audit that could provide information to assist both the State Auditor's financial review of the State Fund and the work of the WCAC.

The Committee will evaluate information provided on the WCAC and Department implementation of a financial and/or actuarial audit process.

Number & Type of Meetings: 1 or 2 work sessions.

Completion Date: December 2004

Staff Assigned: Chris Cordes

Project Title: Workers' compensation issues - spinal cord stimulator study.

Project Goal:

To monitor the Department of Labor and Industries' study of the use of spinal cord stimulators.

Project Description:

Spinal cord stimulators are surgically implanted devices that are designed to provide relief from chronic pain. In a significant decision in 1998, the Board of Industrial Insurance Appeals (Board) agreed with the Department of Labor and Industries (Department) that spinal cord stimulator treatment is controversial and, thus, must be presumed not to be medically necessary. However, the Board also determined that this presumption can be rebutted on a case-by-case basis. Thus, in an individual case, spinal cord stimulator treatment may be determined to be "medically necessary" and also "proper and necessary medical and surgical services." In such a case, the injured worker is entitled to spinal cord stimulator treatment.

Legislation reported out of the Committee in 2004 (SHB 2154) would have required the Department to develop treatment guidelines for spinal cord stimulators in accordance with relevant standards adopted by national payors and most state industrial insurance programs.

During the 2004 interim, the Department will begin permitting the limited use of spinal cord stimulators as part of a study. The Department expects the study to be completed over a two-year period. The Department plans to involve the Workers' Compensation Advisory Committee as the Department develops the study, as well as throughout its progress. Once the study is completed, the Department plans to evaluate the results, and if appropriate, develop any needed treatment guidelines governing future use of spinal cord stimulators.

During the 2004 interim, the Committee will monitor the Department's study of the use of spinal cord stimulators.

Number & Type of Meetings: 1 work session

Completion Date: December 2004

Staff Assigned: Jill Reinmuth/Chris Cordes

Project Title: Consumer protection and auto finance issues.

Project Goal:

To consider proposed amendments to the law governing contingent sales of automobiles to consumers.

Project Description:

During the 2004 Legislative Session, the House Commerce & Labor Committee heard testimony on HB 2656, which was aimed at modifying the law governing financing practices of auto dealers. Specifically, the bill would have extended the period that auto dealers would have to accept or reject the terms of an offer. As a practical matter, this would give auto dealers more time to check a customer's credit history and verify other financial information provided by consumers.

The Department of Licensing and the auto dealers who supported the bill agreed to negotiate amendments to the bill to protect the interests of consumers, as well as auto dealers. The work session on auto dealer and consumer finance issues will allow those interested parties, as well as the Attorney General's Office, to update the Committee on this subject.

Number & Type of Meetings: 1 work session

Completion Date: December 2004

Staff Assigned: Kiki Keizer/Jill Reinmuth

Project Title: Certification of sprinkler fitters.

Project Goal:

To hear about and discuss work of state Fire Marshal's Office and various stakeholders on legislation requiring certification of sprinkler fitters.

Project Description:

The state Fire Marshal's Office currently administers state laws relating to licensing of fire protection sprinkler system contractors and certification of persons designing and installing certain sprinkler systems. There are no state laws relating to certification of sprinkler fitters.

During the 2004 legislative session, House Bill 2922 was heard by, but not reported out of, the House Committee & Labor Committee. This bill would have: (1) established a certification requirement for sprinkler fitters to be administered by the state Fire Marshal's Office; (2) specified qualifications for certification of journeyman and residential sprinkler fitters with and without examination, and for certification of trainees; and (3) established an advisory board and a dedicated account.

During the 2004 legislative interim, the state Fire Marshal's Office and various stakeholders plan to develop similar legislation requiring certification of sprinkler fitters.

Number & Type of Meetings: 1

Completion Date: December 2004

Staff Assigned: Jill Reinmuth

Project Title: Update on Washington labor market.

Project Goal:

To continue monitoring the state's labor market conditions.

Project Description:

Washington's labor market conditions continue to be among the Committee's top concerns. As noted by the state Economic Forecast Council, the recession had a disproportionate impact on Washington employment growth, and the recovery in Washington is expected to be unusually slow.

In 2003 the state had the third highest annual unemployment rate in the country, 7.5 percent (behind Alaska and Oregon). This followed rates of 7.3 percent in 2002 (also the third highest in the country) and 6.4 percent in 2001 (the highest in the country).

Washington nonfarm payroll employment stabilized in 2003, rising only 0.2 percent following declines of 0.5 percent and 1.6 percent in 2001 and 2002.

During the 2004 interim, the Committee will continue to monitor the state's labor market conditions.

Number & Type of Meetings: 1 work session.

Completion Date: December 2004

Staff Assigned: Jill Reinmuth/Chris Cordes

Project Title: Construction industry skills gap.

Project Goal:

To discuss strategies for addressing the shortage of skilled workers in the construction trades in Washington State.

Project Description:

The state Workforce Training and Education Coordinating Board reports that skilled workers in the construction trades will be retiring without enough apprentices in training to fill their jobs. According to the 2002 edition of High Skills, High Wages: Washington's Strategic Plan for Workforce Development – Our Agenda for Action, 46 percent of construction firms that tried to hire workers in 2001 reported difficulty finding qualified job applicants. The average age of workers in many construction trades was about 50, and the average entering age was near 30.

Current efforts to address this shortage include establishing construction industry skills panels, drafting standards for technical education in the K-12 system, engaging in a marketing campaign to attract students to construction industry careers, and requiring apprentice utilization on state and certain local public works projects. (In 2004 SHB 2439, which would have codified Executive Order 00-01 on apprentice utilization passed out of the House, but died in the Senate Commerce & Trade Committee.) Other strategies could include partnering with the industry to provide resources for training in the construction trade, and expanding apprenticeship training in the construction trades and related preparation programs.

During the 2004 interim, the Committee will examine current efforts and other strategies to address the shortage of skilled workers in the construction trades.

Number & Type of Meetings: 1 work session.

Completion Date: December 2004

Staff Assigned: Jill Reinmuth

Project Title: Workforce training.

Project Goal:

To monitor certain workforce training programs and the reauthorization of the federal Workforce Investment Act.

Project Description:

In recent years, the Committee has closely monitored certain aspects of the state's workforce development system, including apprenticeship programs and training programs for incumbent and dislocated workers. In addition, the Committee has examined implementation and reauthorization of the federal Workforce Investment Act.

During the 2004 interim, the Committee will continue to monitor these programs as well as the reauthorization of the federal Workforce Investment Act.

Number & Type of Meetings: 1 work session.

Completion Date: December 2004

Staff Assigned: Jill Reinmuth/Chris Cordes

Project Title: Problem gambling.

Project Goal:

To gather facts and analyze costs, funding sources, and efficacy of other states' programs designed to prevent and treat problem gambling as a matter of public health and, if the governor establishes a task force to develop a strategic plan with respect to problem gambling, monitor the task force's work.

Project Description:

The legalization of various forms of gaming has increased opportunities for Washington residents to gamble. As the number of gambling opportunities has increased, the Washington State Lottery Commission has commissioned studies documenting the prevalence of pathological and problem gambling in the state and the risk of rising problem gambling. Since the early 1990s, a number of studies have identified a range of detrimental consequences of problem and pathological gambling, including increasing debt problems and bankruptcies, rising rates of substance abuse and crime aimed at satisfying debts, higher levels of child neglect and family stress, and higher suicide rates.

Washington has provided funding for a problem gambling hotline and for signs posted in gambling establishments. In 2002 and 2003, the state also provided funding for a program to treat pathological gamblers. However, the state has yet to establish a comprehensive program for the prevention and treatment of problem gambling, to be funded on a permanent basis.

During the 2004 legislative session, the Committee heard testimony on HB 2776, which would have created a dedicated account to fund a problem gambling prevention and treatment program in the Department of Social and Health Services. HB 2776 would also have created a task force to recommend an equitable system for funding treatment of problem gambling.

The Committee's interim analysis will consider how other states are confronting the issue of problem and pathological gambling within their borders. Specifically, the Committee will focus on funding models, as well as the costs and efficacy of treating state residents who are problem or pathological gamblers.

Number & Type of Meetings: 1 work session.

Completion Date: December 2004.

Staff Assigned: Kiki Keizer/Jill Reinmuth

Project Title: Personnel System Reform Act of 2002.

Project Goal:

To examine implementation of the collective bargaining system enacted for state employees in 2002 and prepare for legislative review in 2005 of the first collective bargaining agreements reached under the new law.

Project Description:

In 2002 the Personnel System Reform Act (PSRA) was enacted, giving state employees certain new collective bargaining rights, including the right to bargain over wages. Funding requests for the first collective bargaining agreements reached under this new law must be forwarded to the Office of Financial Management by October 1, 2004, and if certified as feasible for the state, must be included in the Governor's budget proposal submitted to the Legislature for the 2005 Legislative Session. The Legislature must then approve or reject the funding request as a whole.

The Committee will review the requirements for state employee collective bargaining under the PSRA and the Legislature's role with respect to funding these collective bargaining agreements. The Committee will coordinate its review of the new collective bargaining system with the review of the PSRA being conducted by the State Government Committee.

Number & Type of Meetings: 1 work session.

Completion Date: December 2004

Staff Assigned: Chris Cordes/Jill Reinmuth

Project Title: Workplace bullying.

Project Goal:

To examine the issue of workplace bullying, and to discuss draft legislation to make it an unlawful employment practice to subject an employee to an abusive work environment.

Project Description:

"Workplace bullying" is a term used by some researchers to describe interpersonal hostility that is deliberate, repeated and sufficiently severe as to harm the targeted person's health or economic status. Workplace bullying is not based on the targeted person's race, gender or other protected status. Consequently, statutory law making discrimination or harassment based on a person's race, gender or other protected status may not protect the person from workplace bullying. Common law tort theories also may not provide such protection.

Laws enacted in certain other countries (Australia, France, Great Britain, and Sweden) address workplace bullying. Legislation introduced in at least two other states (California and Oklahoma) would explicitly prohibit abusive workplaces, and provide for individual liability for perpetrators and limited vicarious liability for their employers.

During the 2004 legislative interim, the Committee will examine the issue of workplace bullying, and discuss draft legislation similar to that introduced in other states.

Number & Type of Meetings: 1 work session

Completion Date: December 2004

Staff Assigned: Jill Reinmuth

Project Title: Workplace safety in state hospitals.

Project Goal:

To discuss the Department of Social and Health Services' efforts to reduce violence at Western State Hospital, Eastern State Hospital, and the Child Study and Treatment Center.

Project Description:

According to a Department of Labor and Industries report published in 1997, data from 1992 to 1995 show that social services and health services accounted for 51 percent of assault-related claims in the workplace. Psychiatric hospitals had the highest rate of assault of any industry, averaging 90 injuries per 1,000 workers over the four-year period.

Legislation enacted in 2000 (SHB 2899) required certain state hospitals (Western State Hospital, Eastern State Hospital, and the Child Study and Treatment Center) to develop and implement a plan to protect employees from workplace violence. It also required the Department of Social and Health Services (Department) to report on efforts to reduce violence in these state hospitals not later than September 1st of each year. This reporting requirement, however, was repealed in 2003.

During the 2004 interim, the Committee will hold a work session to discuss the Department's efforts to reduce violence in state hospitals.

Number & Type of Meetings: Possible work session.

Completion Date: December 2004

Staff Assigned: Jill Reinmuth